



BIG MOUNTAIN SEWER DISTRICT

PO Box 1252
Whitefish, Montana 59937

Board of Directors Minutes January 8, 2019 9:00 am Northern Lights Conference Room, Kandahar Lodge

1. CALL TO ORDER

The meeting was called to order at 9:09 a.m. by President Dan Graves. Present were Dan Graves, Bob Lund, Bob Riso, Dave Ruoff, Sandy Carpenter, Jason Hanchett, and Leslie Bales.

2. INTRODUCTIONS

3. PUBLIC COMMENT

No public in attendance.

4. REVIEW OF MINUTES- October 15, 2018

The minutes for the October 15, 2018 meeting were approved as written upon motion of Lund, second by Riso. Motion carried unanimously.

5. FINANCIAL REVIEW

- Balance Sheet
- Income Statement
- Cash Flow
- City of Whitefish Usage/fees
- Check Register

Discussion was held on specific line items, with the financials approved as submitted upon motion of Ruoff, second by Sandy. Motion carried unanimously.

6. OLD BUSINESS

a. FY 2018 Financial Review

Bales reported the 2018 paperwork has been sent to Tana Doyle, our auditor, and asked the Board to please authorize President Graves to sign the letter of engagement. Upon motion by Ruoff, and second by Riso the engagement letter was approved and Graves was authorized to sign. Motion carried unanimously.

b. City of Whitefish – Sewer Agreement Discussion Recap

Lund reminded the Board the current language in the sewer agreement and contract with City of Whitefish has sections that are archaic, redundant, and nonapplicable. Discussion regarding the necessary actions followed with Lund agreeing to outline the proposed necessary changes to the contract and get it ready to submit to the City of Whitefish, with the anticipated timeline a month from

now. Once changes have been submitted to City of Whitefish we will wait for their review and comments, and we move forward from there, hopefully at either the April or July meetings.

c. Lift Station Grinder Pump Repair Quote

Hanchett reported he shipped the base lodge lift station pump out for repair, and the repair costs were more than anticipated. Discussion followed regarding cost to repair (\$11,000), cost of new pump (\$16,500), shipping time for a new pump, and possibly using current pump as is as a crutch to get by. Graves clarified we have three options 1) new pump for \$16,500; 2) rebuild pump for \$11,400, 3) ask about current pump being placed in storage as a crutch. Ruoff made motion to approve #3 asking if there is a way to mothball the current pump for usage as a crutch, requesting Hanchett to get a quote; second by Riso. Motion carried unanimously. Hanchett will also look at maintenance schedule for pump changeout and advise the Board on when to buy new pump for schedule.

d. Identifying Water Intrusion – Plan

Hanchett will address during this item during his maintenance update.

e. Maintenance Update

Hanchett handed out the maintenance list for the sewer district (attached). Board commended Hanchett on the thorough, concise content of the list. Hanchett reported he had contacted City of Whitefish, and they contract with Anderson Montgomery for smoke detection services. PWD Workman also said City owns smoke testing machine, but after speaking with Paul this is used more to look for incorrect connections, and it doesn't really show breaks or separations in lines. Paul Montgomery is getting us a bid/estimate to look for infiltration, stated it is more reliable to do late night manhole pulling and chase usage upstream. Discussion followed. Hanchett explained BMSD basically has two zones and then the main line down the mountain. Hanchett recommended starting at the Y and then move up from there, working late at night during the last two weeks of April and first two weeks of May. Ruoff asked about the catchment basin at Farrington's. Graves asked Board if the smoke testing was secondary, with the higher priority being line infiltration. Board agreed with consensus for Jason to start on camera work at the manhole Ruoff described and continue with Paul Montgomery to get costs for inflow and infiltration study. Jason will get estimate and email out. Discussion continued. February update from Jason was that Anderson Montgomery did not advise smoke testing; they advised moving forward with the infiltration and inflow analysis. The bid from Anderson Montgomery for a "mid-range" infiltration and inflow analysis to be conducted mid-April, and May with a bid estimate of \$33,565. The recommendation to proceed with the inflow and infiltration analysis was approved by email vote on February 6, 2019. Lund, Ruoff, Carpenter, and Graves voted approving the analysis, with Riso not voting.

Hanchett also reported he is meeting with City of Whitefish later today to pick up a hard copy report on the camera work on the lower section of the main line where the investors (Ohland) wanted to tie into the line. Hanchett continued this was required because of the request for this property to hook into our line, which would require moving the meter further up the line, and the City of Whitefish taking over the lower part of the line. Costs for the meter relocation would be paid by the new property, while any repairs deemed necessary from the camera work would be the responsibility of Big Mountain Sewer District.

7. NEW BUSINESS

a. Flathead Valley Utility Council/One Call Concepts

Hanchett reported BMSD is currently not a member, as we are not a large enough utility. Hanchett reported the Council will be moving to a new system for line locates in 2020 which will simplify the u-dig process. No action by the Board is required and Hanchett will keep us informed.

b. Glades Phase 4 – Infrastructure is planned for installation in the summer of 2019. Final plat will be filed at that time.

Graves reported the preliminary plat starts all the county testing, etc., and we used to file final plat before construction – now after. Graves stated he will keep the Board informed when they file for final plant.

c. Rate Study Plan

Graves reported there had been discussion about the sewer rates in the past. The City is looking at AWWA regs, and BMSD talked about bringing in professional to look at how to measure rates in the future. Graves asked the Board if they wanted to bring in consultant for next board meeting to give us options. Discussion followed with Board agreeing to ask Dan Cramer, Montana Rural Water to attend our April meeting. Graves will also ask Tom Cowan, Carver Engineering for assistance with various ways to apply rate structures. Hanchett asked for further clarification. Graves stated that based on AWWA table and regs BMSD needs to determine what is an acceptable rate measurement; EDU's or some other combination? Graves continued the bigger question on the table is what designates an EDU as it relates to a single-family dwelling for BMSD? We need to decide what is fair or logical. Board consensus was to have Dan Cramer, Montana Rural Water and/or Tom Cowan, Carver Engineering attend our next Board meeting.

d. Plant Investment Fees

i. 162 Ridge Run Dr – Total Fee \$5580.84, \$4650.70 to City of Whitefish

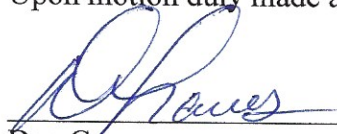
The PIF's were approved upon motion of Carpenter, second by Ruoff. Motion carried unanimously.

Miscellaneous for the Good of the Order

Lund reported on the new Big Mountain Community organization. "The primary purpose of the BMC organization is to promote and facilitate better communication among local HOA's, area property owners, Whitefish Mountain Resort, and Grizzly Security, especially on emergency and safety issues such as wildland fires, evacuation procedures, dangerous animals, potential active shooters, squatters, road closures, etc. A secondary function could be to house a central communication forum for area residents on other topics....in addition, the organization, which would represent the interests of 741 current property owners on upper Big Mountain, could develop into a strong vehicle for presenting community viewpoints to Whitefish, Flathead County, and local utility officials. Discussion followed with Lund and Ruoff stating they will keep the Board updated.

The BMSD Board tentatively set their next Board meeting for Tuesday, April 16th at 9 a.m.

Upon motion duly made and seconded the meeting adjourned at 10:30 a.m.



Dan Graves
President



Leslie Bales
Administrative Manager

These minutes were approved at the April 30th, 2019 BMSD Board meeting.